
Corporate Anti-Corruption Policy (ABAC)

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Internal and External Fraud Management Process MAN-APY-378

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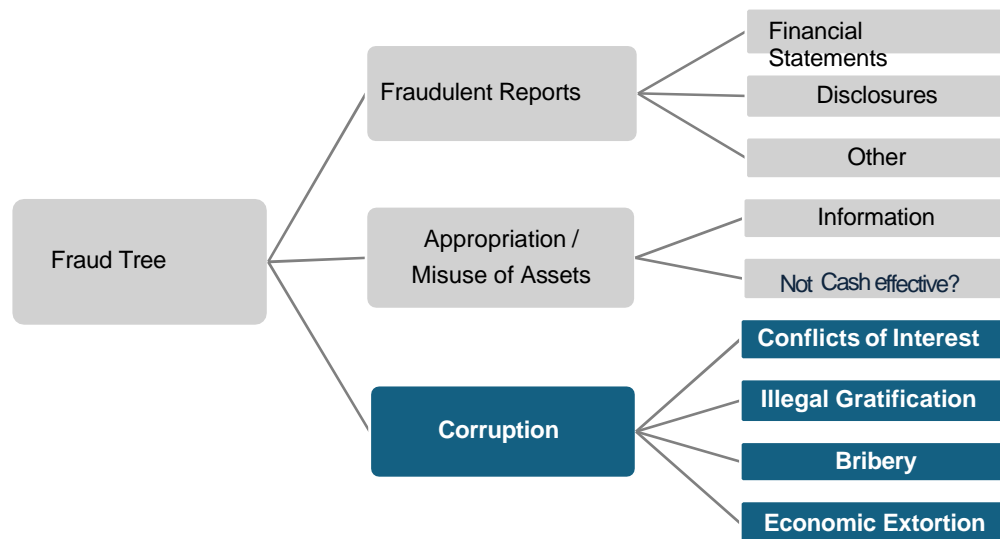
1. ANTI-CORRUPTION POLICY (ABAC) ANTIBRIBERY - ANTICORRUPTION

INTRODUCTION

Corruption is an action that can considerably affect the image and reputation of Banco de Occidente and its Subsidiaries, in addition to violating the law, the trust of Collaborators, Investors, Shareholders, Suppliers, Clients and in general the business scenario. Aware of these consequences, Banco de Occidente and its Subsidiaries are committed to the highest ethical standards in the interrelations with its stakeholders and to the compliance with local laws and regulations and those applicable to it as Grupo AVAL issuer of securities in the local and international markets¹.

In response to this commitment, this Anti-Corruption Policy is established as a mechanism to promote the development of coordinated actions to prevent corruption, promote transparency in the management of the administration, dissuade misconduct and encourage the commitment of its stakeholders against corruption.

In this sense, with the classification of the fraud scheme and in order to identify the guidelines of the present policy, its scope will be focused only on corruption:



¹ U.S. Sentencing Guidelines Manual, chapter 8 (November 2012) Foreign Corrupt Practices Act FCPA (1977)
Sarbanes-Oxley Act of 2002, sections 301, 404, 406, 806 (2002).
NYSE Corporate Governance Rules, section 303A
Law 1474 of 2011 of the Congress of the Republic of Colombia (Anti-Corruption Statute).



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The Anti-Corruption Policy is designed under the internal control framework established by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission, with the purpose of facilitating the control and management of corruption events and supporting Banco de Occidente and its Subsidiaries in the achievement of their operational, financial and compliance objectives. Under this framework, the policy includes the components of control environment, risk assessment, control activities, information and communication and monitoring activities.

The Policy seeks to consider the guidelines required by applicable local and foreign regulations, in relation to anti-corruption issues and factors, to ensure adequate compliance with such standards, as well as with the internal policies of the Bank and its Subsidiaries.

This Anti-Corruption Policy establishes the structural elements as a framework to prevent, detect, investigate and correct corruption events. It also assigns general roles and responsibilities in the process of risk identification; design, implementation and evaluation of anti-corruption controls and in the management of investigations related to corruption events.

General Objective

To integrate the elements or components of the internal control system, as well as the guidelines of the Corporate Senior Vice-Presidency of Risk and Compliance of our parent company Grupo AVAL, through the Bank's Banking and Information Security Management ("ABAC Compliance Officer"), to identify, prevent, minimize the probability of occurrence and manage corruption events in Banco de Occidente and its Subsidiaries, directing and promoting the principles and values promulgated in relation to business ethics and corporate policies.

Specific Objectives

Promote an ethical culture within Banco de Occidente and its Subsidiaries, aimed at mitigating corruption risks, and in the relationship with third party intermediaries.

- Establish the guidelines of the mechanisms to prevent, detect, investigate and effectively and timely remedy corruption events in Banco de Occidente and its Subsidiaries.
- Direct the framework to mitigate corruption risks through an effective and timely process of identification, assessment and implementation of anti-corruption controls.
- Incorporate international best practices and the respective regulatory guidelines, applying the provisions of both local anti-corruption regulations and the U.S. Foreign Corrupt Practices Act ("FCPA"), consistent with the fact that our parent company Grupo Aval is listed on the New York Stock Exchange.
- Encourage Banco de Occidente and its Subsidiaries' officers to know and act consistently with the civil and criminal liability both in Colombia and abroad that may arise from non-compliance with these regulations.



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SCOPE

The Anti-Corruption Policy must be applied by all Employees, Board of Directors and Officers of Banco de Occidente and its Subsidiaries (hereinafter, the "Officers"), so that their actions and in the performance of their duties, observe the principles established to promote transparency and trust in the internal relations of the Company, with third parties/stakeholders and with society, with subsidiaries and in certain circumstances extends to third party intermediaries as indicated.

It is also expected that this Policy will be adopted by Banco de Occidente's subsidiaries, keeping due relation with the size and complexity of their respective operations. It is also expected that, as far as possible, the best efforts will be made to ensure that these principles are followed in the entities in which we do not hold a controlling position, and in our suppliers and counterparties.

REGULATION

Law 1778 of 2016

Whereby rules are issued on the liability of legal persons for acts of transnational corruption and other provisions are issued in the fight against corruption, among which is the sanctioning regime.

International Standard ISO 37001 Anti-Bribery Management System

It specifies the requirements and provides guidance to organizations for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system.

Colombian Criminal Code and Colombian Anti-Corruption Statute (Law 1474 of 2011)

The Colombian Criminal Code defines embezzlement, bribery, extortion, improper entering into contracts and influence peddling, among others, as crimes against public administration. Likewise, the Colombian Anti-Corruption Statute dictates rules aimed at strengthening the mechanisms for the prevention, investigation and punishment of acts of corruption and the effectiveness of the control of public administration.

Foreign Corrupt Practices Act or FCPA (Foreign Corrupt Practices Act)

The Corrupt Practices Act, as amended, 15 U.S.C §§ 78dd-1, et seq. ("FCPA"), was enacted for the purpose of making it unlawful for certain classes of persons and entities to make payments to foreign government officials to assist in obtaining or retaining business.



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The FCPA is a law that prohibits U.S. companies and Securities Issuers registered with the U.S. Securities and Exchange Commission (SEC) or any of their subsidiaries, regardless of where their operations and employees are located, from directly or indirectly facilitating the payment of bribes to public officials abroad in order to benefit from this action.

The following entities are specifically prohibited from making improper payments:

- Issuers: Companies that have securities registered in the United States or are required to file reports with the Securities and Exchange Commission (SEC).
- U.S. companies
- Non-issuing entities domiciled in the United States or governed by U.S. regulations, as well as U.S. citizens and residents.

Non-compliance can result in heavy penalties ranging from fines, to placement under court supervision or court-ordered liquidation, independent of personal criminal penalties.

Specifically, the FCPA's anti-bribery provisions prohibit the willful use of the mails or any instrumentality of interstate commerce in a corrupt manner to promote any offer, payment, promise to pay, or authorization of the payment of money or anything of value to any person, knowing that all or any part of such money or thing of value will be offered, given or promised, directly or indirectly, to a foreign official to influence the foreign official in his or her official capacity, to induce the foreign official to do or omit to do an act in violation of his or her lawful duty, or to secure any improper advantage for the purpose of assisting in obtaining or retaining business for or with, or directing business to, any person. Since 1977, the anti-bribery provisions of the FCPA have applied to all U.S. persons and certain foreign issuers of securities. With the enactment of certain amendments in 1998, the FCPA's anti-bribery provisions now also apply to foreign companies and persons who cause, directly or through agents, an act in furtherance of such corrupt payment to take place within the territory of the United States. The FCPA also requires companies whose securities are listed in the United States to comply with its accounting provisions. See 15 U.S.C. § 78m. These accounting provisions, which were designed to operate in conjunction with the FCPA's anti-bribery provisions, require corporations covered by the provisions to (a) make and keep books and records that accurately and fairly reflect the corporation's transactions and (b) devise and maintain an adequate system of internal accounting controls.

Sarbanes-Oxley Act - SOX (Sarbanes-Oxley Act)

U.S. law issued in 2002 with the following objectives: to improve the internal control environment of companies listed on U.S. stock exchanges; to define and formalize



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responsibilities for compliance to the CEO (Chief Executive Officer), CFO (Chief Financial Officer) and financial auditors; as well as to prevent accounting and reporting errors.

Other anti-corruption regulations in force in other jurisdictions

COMPONENTS OF THE ANTIBRIBERY - ANTICORRUPTION (ABAC) PROGRAM

Governance and Leadership

This domain corresponds to the definition and assignment of responsibilities to the governing bodies so that, in accordance with their assigned responsibilities, they define clear guidelines for zero tolerance of corruption, thus generating a "tone from the top" that generates a culture at the level of the entity.

This domain is composed of the declaration of commitment and the definition of those responsible for the policy.

DECLARATION OF COMMITMENT

Banco de Occidente and its Subsidiaries are committed to a zero tolerance policy against corruption in any of its modalities, which promotes a culture of fight against it and allows conducting its business and operations with high ethical standards, in compliance with the laws and regulations in force. For such purpose, Banco de Occidente and its Subsidiaries commit themselves to:

- Manage, in accordance with established principles and in a structured and strategic manner, the corruption risks associated with the business and its relationship with third parties and intermediaries.
- Continuously promote an ethical culture as an indispensable element for the prevention, detection, investigation and remediation of acts of corruption.
- Prevent damage to the company's image and reputation by adopting and complying with provisions that prohibit actions constituting corruption.
- Accurately report information and record transactions, and have internal controls to ensure that shareholders' assets are adequately monitored and safeguarded.

The Management of Banco de Occidente and its Subsidiaries are committed to anti-corruption management and are responsible for monitoring compliance with this policy. Management and Control Bodies are also responsible for ensuring that corruption risks are managed and incidents are reported and investigated.



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The company has also taken the corresponding sanctioning actions as a dissuasive element in new acts of corruption.

Each Employee is responsible for applying the criteria defined in this policy and for adjusting his or her actions in accordance with the corporate values and guidelines established in the Code of Ethics and Conduct. They are also responsible for reporting and denouncing potential cases of corruption of which they may become aware.

POLICY MAKERS

The Board of Directors of Banco de Occidente and its Subsidiaries is responsible for the approval of the Corporate Anti-Corruption Policy. As well as its subsequent modifications.

Grupo Aval's Corporate Senior Vice-Presidency of Risk and Compliance is in charge of designing and monitoring compliance with the Anti-Corruption Policy. For this purpose, it counts on the management of the Corporate Compliance Management and Sox (Compliance Officer), as well as the collaboration and coordination with its functional equivalents in the subsidiaries.

Management is responsible for promoting an anti-corruption culture and ethical behavior, communicating the importance and responsibility of all employees in the process of preventing and reporting corruption events, and guaranteeing the necessary resources to ensure compliance with the objectives of the Anti-Corruption Policy, as well as adopting the best international practices and corporate guidelines.

The Board of Directors Committee and the Audit Committee of Banco de Occidente and its Subsidiaries must ensure the existence of an anti-corruption policy and ensure its compliance, follow up on the result of the evaluation of anti-corruption controls, monitor the management of the Ethics and Conduct Committee (or the Committee acting in its stead) in the process of investigating allegations of acts of corruption when applicable, and propose adjustments and updates to this policy within the Bank, in accordance with the modifications that Grupo Aval may make to it from time to time or by decision of the Bank, as long as the updates issued by Grupo Aval are maintained.

Banco de Occidente and its Subsidiaries are responsible through their second line to develop and implement a communications plan aimed at all its Employees, to make known the most relevant aspects of the Anti-Corruption Policy and its related policies or procedures. This can be developed with the support of its administrative, human resources and communications areas, or whoever takes their place.

The Internal Audit of Banco de Occidente and its Subsidiaries are responsible for evaluating the effectiveness and compliance with the Anti-Corruption Policy through the pertinent mechanisms, refer to the Information and Communication - Internal Audit section.

The Ethics Committee (or the one acting in its stead) is responsible for determining corrective, preventive or disciplinary actions resulting from the investigation processes.



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The **Risk Vice-Presidency of Banco de Occidente and its Subsidiaries** must participate in the process of identification and assessment of corruption risks; define and update the corporate guidelines that serve to identify, assess and mitigate corruption risks.

The Management, Control Bodies and Employees of Banco de Occidente and its Subsidiaries are responsible for knowing and understanding the Anticorruption Policy, knowing and understanding the actions that may constitute an act of corruption, executing the anticorruption controls in their charge, reporting incidents and cooperating with the investigations that may arise therefrom.

Banco de Occidente and its Subsidiaries are responsible for incorporating the guidelines and directives established in this policy into their own ABAC programs, through a suitable collaborator with appropriate decision-making authority, who must be designated by the Presidency of the entity.

Risk Assessment and Controls

Annually or when special circumstances occur, such as a change in market conditions, the launch of a new product or service or when a corporate restructuring occurs, the corruption risk managers must perform a new risk assessment, in accordance with the methodological pillar established for the identification, measurement, control and monitoring of risks, described in the "Corporate Risk Assessment" section of this document, applicable to Occidental Bank Barbados and Banco de Occidente Panama Subsidiaries.

The activities included in the corruption risk assessment process of Banco de Occidente and its Subsidiaries include:

- Identification of risks by process or business unit.
- Evaluation of the probability and significance of each corruption risk identified in the organization.
- Documentation of risks by the different areas or business units.
- Communication of the risk matrices and their respective assessment to the employees involved.
- The risk areas of Banco de Occidente and its Subsidiaries ensure compliance with the process of identification, evaluation, documentation and management of corruption risks.

The activities described above must be documented as evidence of the periodic and systematic evaluation of the risks of Banco de Occidente and its Subsidiaries.

In the corruption risk assessment process, considered as an integral part of the Entity's risk management system, factors such as the following may be taken into account, considering, of course, the Entity's own profile, size and structure:



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- Country Risk
- Industry Risk
- Level of government participation
- The nature and degree of interaction with national and/or foreign public servants
- Location and sectors in which the entity operates or wishes to operate.

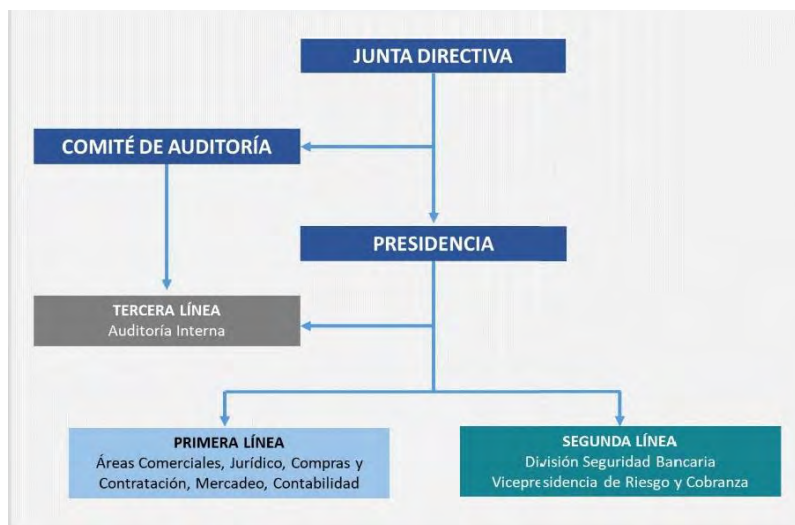
The initial framework for identifying these risks is the generic risk inventory issued by Grupo Aval.

Banco de Occidente and its Subsidiaries shall maintain documented information demonstrating that a corruption risk assessment has been conducted and used to execute an ABAC Program.

Likewise, they must establish for each of the risks identified in the evaluation process, control activities aimed at identifying, preventing and mitigating corruption events that may affect Banco de Occidente and its Subsidiaries. Control activities may be preventive or detective, manual or automatic, and include a range of diverse activities, including approvals, authorizations, segregation of duties, verifications, reconciliations, performance reviews, user profiles and access controls, physical controls, among others.

Process owners must document in an appropriate manner and for each of the defined processes or business units, the different control activities. This ensures that each of the risks identified during the evaluation process is managed. This documentation is done through risk and control matrices where, in addition to listing the risks and controls by process, those responsible for the control, the frequency of the control, the evidence of documentation, among others, are identified.

Responsible for implementation and monitoring



Entities must structure the functions and responsibilities in general for all risks following the three lines of defense scheme (formerly three lines of defense), i.e., considering (i) the



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management for each line of business, (ii) the management of the risk and compliance areas, and (iii) the management of the independent management reviewer.²

First Line

The first line, in the prevention of corruption, is mainly constituted by the areas that manage the business such as those that have direct contact with private and public clients, with public officials that may directly or indirectly affect the management of the entities, as well as with the accounting records (commercial, administrative, purchasing and financial areas). This means that the governance of the Anticorruption Policy recognizes that the management of the first line of business is responsible for identifying, evaluating, managing and controlling the risks inherent to the products, activities, processes and systems under its responsibility. This line must know and apply the policies and processes, as well as have sufficient resources to effectively perform these tasks. For this purpose, it must:

- Specify policies and processes clearly in writing and communicate them to employees.
- Include a clear description of the obligations of employees and the instructions they must follow, as well as guidelines for the Entity's activities to comply with regulations.
- To apply the provisions of both local anti-corruption regulations and the U.S. Foreign Corrupt Practices Act ("FCPA"), consistent with the fact that our parent company Grupo Aval is listed on the New York Stock Exchange. The officers of Banco de Occidente and its Subsidiaries are therefore aware of the civil and criminal liability both in Colombia and abroad that may arise from non-compliance with these regulations.
- Define internal procedures to detect and report transactions that may have an indication of corrupt acts.
- Adapt, with the support of the second line, the programming and content of the training programs to the personnel of the different sections, in line with their needs and the entity's risk profile. Training needs will vary depending on the functions of the employees and the responsibilities of the different job positions, as well as their seniority.
- The organization and materials of training courses should be tailored to the specific responsibility or function of each employee to ensure that they have sufficient knowledge and information to effectively implement anti-corruption policies.

² New Country Code: Measure No. 29: Control Architecture Monitoring. "Leveraging COSO Across the Three Lines of Defense", July 7, 2015, COSO in collaboration with the Institute of Internal Auditors, published this document, Using/Leveraging COSO Across the Three Lines; a document that presents how responsibilities and functions related to risk management and control can be assigned and coordinated, in order to minimize gaps in controls and duplication of activities and responsibilities within an organization for meeting stated objectives.



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For these same reasons, new employees should receive training as soon as possible after they are hired. Refresher training should be provided to ensure that staff remember their duties and that their knowledge and skills are kept up to date. The scope and frequency of this training should be adapted to the risk factors to which employees are exposed based on their responsibilities and the level and nature of risk present in the entity.

Second Line (Banking and Information Security Division)

The second line assigns responsibilities to the Risk and Compliance areas. These areas must continuously monitor compliance with the obligations regarding Corruption Risk, accompanying the Process Owners (First line) in the identification of risks and key controls sufficient for their mitigation, as well as in the qualification of the attributes of each control in order to determine the Residual Risk that must be subject to monitoring. This involves making an evaluation of the control attributes that allow concluding whether they operate consistently and systematically, so that it can communicate any significant failure to senior management or to the Board of Directors, the Audit Committee and/or the Entities' Risk Committee. For this purpose, it must question the business areas using appropriate corruption risk management tools, carrying out risk measurement activities and using technological tools and warning signals.

The collaborator assigned to these tasks should be the contact for all matters in this area for internal and external authorities, including supervisory or jurisdictional authorities. In the same sense, ABAC best practices have involved the second line in the evaluation of compliance with the control elements that mitigate the risk of corruption in operations of donations, sponsorships, contributions to public and/or political campaigns, acquisitions, mergers and joint ventures, among others. Considering the above and given the relevance of the role of the second line in supporting the Administration, it is responsible for giving its approval in the sense of indicating whether the operations comply with the requirements established in the internal and corporate policies or if, on the contrary, the lack of compliance with them would be generating an additional risk exposure to that of each operation. It is necessary for each Entity to evaluate the volume of the operations of each type (donations, sponsorships, campaign contributions, etc.) in order to establish the quantitative and qualitative characteristics (for example, materiality of the transaction, degree of risk due to the fact that they involve public entities or officials, among others) so that the second line may give its opinion prioritizing from the point of view of exposure to risk within the normal flow of transactions that represent a higher risk. Such analysis must have the technical and documentary support duly approved by the vice-president of risk (or whoever is acting in his stead).

The Entity's business interests must in no way conflict with the effective performance of the above-mentioned duties. Regardless of the size of the Entity, potential conflicts of interest should be avoided. Processes should be in place to ensure that corruption issues receive objective consideration at the highest level.

The ABAC Officer is responsible for reporting directly to senior management or to the Board of Directors and/or Audit Committee. He/she is also responsible for monitoring and reporting red flags and/or transactions with indications of corruption. Likewise, he/she must have sufficient resources to effectively carry out all his/her functions and play a central and proactive role in monitoring the



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compliance with this Policy. To do so, you must be fully familiar with the policies in force, their legal and regulatory requirements and the risks arising from the business.

Note: For the subsidiaries Occidental Bank Barbados and Banco de Occidente Panama, the ABAC management report to the Board of Directors is presented once per semester.

Third Line (Audit)

The third line plays an important role in independently assessing corruption risk management and controls, as well as the Bank's processes and systems, reporting to the Audit Committee through periodic assessments of the effectiveness of compliance with related policies and processes.

The internal audit that must perform these reviews must be competent and properly trained, and not be involved in the development, implementation and operation of the risk/control structure.

This review may be performed by audit or by personnel independent of the process or system under review, but may also involve duly qualified external parties. The Bank should implement processes for conducting audits on:

- The adequacy of policies and processes to address identified risks;
- The effectiveness of the implementation of the Entity's policies and processes by personnel;
- The effectiveness of compliance monitoring and quality control, including parameters or criteria for automatic alerts; and
- The effectiveness of training programs for relevant personnel.

In view of the above, the following are the particular roles and responsibilities:

General Responsibilities at Entity Level

Banco de Occidente and its Subsidiaries must:

- Continuously monitor all business relationships and transactions that have a higher risk of exposure to possible corrupt practices, as this is an essential aspect of a sound and effective risk management, the scope of this monitoring should be in accordance with the risk identified in the assessment conducted by the Entity. It should strengthen the monitoring of customers, third parties and intermediaries and/or higher risk transactions and maintain a cross-cutting surveillance of products or services in order to identify and mitigate emerging risk patterns.
- Have systems in place to detect warning signals that may indicate corruption. When designing scenarios to identify such signals, the entity should consider the risk assessment at the entity level, the information gathered in its work of knowledge of the client, officer and/or third party and intermediary, among others.



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- Using information on knowledge of the client, collaborators and third parties and intermediaries, be able to identify transactions that make no apparent economic sense, that involve large cash deposits or that do not correspond to normal and expected transactions, especially if they occur systematically over a long period of time.
- Implement robust due diligence policies and processes for transactions with customers and third parties and intermediaries that are identified as having the greatest exposure to corrupt transactions.
- Ensure that it has information management systems, commensurate with its size, organizational structure or complexity, based on materiality and risk criteria, that provide business units (e.g., business managers) and risk and compliance officers (including investigative staff) with the timely information needed to identify, analyze and effectively follow up on any indications of corruption.
- Refrain from doing business with persons (natural or legal) whose ethics are or have been questioned, since their involvement may affect the good image of the entity in the market, exposing the brand and assets.

Board of Directors and/or Audit Committee at Banco de Occidente and Subsidiaries

It is in charge of:

Clearly understand the risks of corruption. Information on the assessment of these risks must be received by the Board of Directors in a timely, complete, understandable and accurate manner.

- Receive periodic reports regarding relevant cases of corruption that have been identified, as well as the investigative measures and conclusions thereof.
- Finally, it must be informed of the measures taken in the event that the Administration has confirmed any case of corruption.
- Provide the technical and human resources necessary to implement and maintain the Anticorruption Program³.
- To have the technical competencies to ensure the effective management of policies and processes, taking into account the Entity's governance structure.

Accounting and financial areas at Banco de Occidente and Subsidiaries

³ International Standard ISO 37001 Anti-Bribery Management System - section 5.1 "Leadership and Commitment" numeral 5.1.2 "Senior Management" of the international standard.



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The FCPA contains explicit provisions in relation to two main control pillars: 1) the Anti-Corruption Provisions, and 2) the Accounting Provisions.

The accounting provisions consist of two main components. First, under the "books and records" provision, issuers are required to create and maintain books, records and accounts that, in reasonable detail, accurately and fairly reflect an issuer's transactions and dispositions of an issuer's assets

Second, under the "internal controls" provision, issuers must devise and maintain a system of internal accounting controls sufficient to ensure management control, authority, and accountability over the company's assets. Although the accounting provisions were originally enacted as part of the FCPA, they do not apply only to bribery-related violations. Rather, the accounting provisions ensure that all public companies account for all of their assets and liabilities accurately and in reasonable detail, and they form the backbone of most accounting fraud and issuer disclosure cases brought by the Department of Justice and the SEC.

In connection with the Accounting Provisions, which impose certain internal controls on issuers, and which prohibit individuals and companies from intentionally falsifying and/or altering the accounting records and bookkeeping records of issuers, may lead to civil and criminal penalties.

Therefore, the accounting and financial areas, as part of the first line, are in charge of the following responsibilities:

- Assume the "general responsibilities" that can be found at discussed at this chapter.
- Design and execute the controls that mitigate the risks contemplated in general terms under the accounting provisions described in the FCPA, in the corresponding matrix, with the support of the Corporate Senior Vice President of Risk and Compliance, or whoever is acting on his or her behalf, and review their operation.
- To ensure that all transactions carried out in the Entity are recorded in accordance with the applicable accounting principles.

Perform verifications aimed at validating that the documents supporting the operations are consistent with the operation and correspond to reality.

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Risk and Collections Vice-Presidency

As part of the second line, his responsibilities include the following:

Design and analyze report formats for warning signs, indications, action plans and conclusions.

- Report the current status of Corruption Risk Management to the Board of Directors on issues that are considered of major importance.
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- Support the first line (process owners) in the identification of risks and design of controls.
- Establish guidelines in accordance with best practices defined by the ABAC Committee and/or Board of Directors.
- Submit risk assessment information to the Board of Directors and/or ABAC Committee in a timely, complete, understandable and accurate manner.

ABAC Program Manager at Banco de Occidente and Subsidiaries

Directly responsible in the second line must:

- Define and develop the ABAC program by means of which this Policy is complied with and its compliance is monitored.
- Analyze and monitor the Entity's operations, ensuring the implementation of the Entity's ABAC program.
- Submit Management Reports to the Corporate Senior Vice-Presidency of Risk and Compliance of Grupo AVAL with the periodicity indicated by the latter.
- Adopt and socialize best practices, following corporate guidelines.
- Conduct the corruption risk assessment together with the process owners.
- To submit to the Board of Directors or whoever corresponds the requirements of computer, technological, physical, human and financial resources necessary for the fulfillment of its functions⁴.
- Promote an anti-corruption culture within the entity.
- Monitor the effectiveness of the ABAC Program.

In order for the person responsible for monitoring compliance with the Anti-Corruption Policy (Second Line) (ABAC Compliance Officer) to perform his/her role independently and diligently, he/she must be a collaborator with a direct report to the Senior Management of the Entity, which ensures that he/she is a person with "appropriate decision-making authority" as required by the Policy. In the same sense, depending on the degree of exposure to ABAC risk of each entity, it is suggested that such collaborator should have an alternate to replace him/her with the same attributions and responsibilities in case of temporary absence.

Internal Audit Directorate (whoever acts in its stead)

⁴ International Standard ISO 37001 Anti-Bribery Management System - section 5.1 "Leadership and Commitment" numeral 5.1.2 "Senior Management" of the international standard.



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- It is responsible for verifying the design and operation of the risk/control matrix, in accordance with its autonomously defined operation plan.
- Report their findings to both the process owners for remediation and to the Program Manager.

ABAC Committee

This committee is documented in annex ANX-APY-186 "Main Committees of the Bank".

Policies (General Guidelines and Directives)

Responsibilities

First Line: All employees of Banco de Occidente and its Subsidiaries, particularly those of the first line, are responsible for identifying, evaluating, managing and controlling compliance with anti-corruption policies and procedures, in accordance with the activities described in the following paragraphs.

Second Line: Risk areas must:

- identify risks associated with non-compliance with these guidelines, as defined in the present document.
- To express its non-objection in certain situations
- Establish warning signals that allow continuous monitoring to ensure due compliance with authorized protocols.

Third Line: The internal audit areas are responsible for:

- Conduct independent evaluations in accordance with its work plan approved by the Audit Committee.
- Perform forensic audit procedures when deemed necessary.

Senior Management of Banco de Occidente and its Subsidiaries shall be responsible for the conduct of its subsidiaries and subordinates in relation to their financial reporting, therefore, the subordinate entities are required to follow up on the correct application of the guidelines defined in the Corporate Anti-Corruption Policy and this instruction in their subsidiaries and subordinates.

Code of Ethics and Conduct

Banco de Occidente and its Subsidiaries have a Code of Ethics and Conduct through which the general guidelines of behavior to be maintained by its Employees and Executives are outlined, so that their actions are in accordance with corporate values, the obligations assumed by virtue of the labor relationship and the ethical principles essential to ensure transparency in internal relations, with third parties and with society. The Code of Ethics and Conduct is communicated and



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made available to all employees and managers and their knowledge and understanding is confirmed at least annually by each of them.

Personnel Selection

Banco de Occidente and its Subsidiaries have selection and hiring procedures through which they seek to attract and retain the best talent, with the personal, intellectual and professional conditions required to achieve their strategic objectives. Banco de Occidente and its Subsidiaries strive for transparency and objectivity in these processes and carry them out without any type of discrimination or pressure on the candidates (MAN-APY-114).

Note: For Occidental Bank Barbados this process is detailed in MAN-OBB-023 "Human Resources Manual" and for Banco de Occidente Panamá in MAN-PAN-015 "Human Resources Manual".

Anti-Retaliation and Presumption of Good Faith

Banco de Occidente and its Subsidiaries seek to protect against retaliation against an Employee, officer or third party who reports an event or potential event of corruption, provides information in good faith about unethical conduct or cooperates with a duly authorized investigation.

If retaliation were to occur, it would violate the fundamental obligation of all Employees of Banco de Occidente and its Subsidiaries to act with the utmost efficiency, competence and integrity, as well as to fulfill their duties and perform in the best interests of the company.

It is sufficient that employees act in good faith and have reasonable grounds to believe that there has been a potential corruption event or a possible breach of the ethical policies of each entity. Depending on the circumstances and to the extent possible, it should be ensured that evidence or precise information is provided that leads to the conclusion that there is unethical conduct or an act of corruption.

Individuals who believe they have been subject to retaliation should communicate all information and documentation available to them directly to the labor relations area through the defined mechanisms.

If the existence of retaliation against any person who has reported an act of corruption or breach of ethical policies is established, Banco de Occidente or its Subsidiaries, as appropriate, must take timely and necessary measures in order to remedy the negative consequences resulting from the retaliation.

The person who has exercised an act of retaliation, when an investigation proves its existence, may be subject to administrative or disciplinary measures, without prejudice to judicial measures when appropriate.



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Gifts or Invitations

It is common in the course of business relations to give and receive gifts or invitations. However, this practice can be misused to gain access to favors, advantages and illegal situations. To such extent, understanding that the granting or receiving of gifts or invitations is part of the ordinary course of business relations, the following are the conditions applicable to the employees of Banco de Occidente and its Subsidiaries for the receipt or granting of gifts or invitations.

Rules relating to the granting of gifts or invitations

Employees of Banco de Occidente and its Subsidiaries are forbidden to grant or promise on behalf of the entity or on their own behalf, with resources of the respective entity or with their own resources acting on behalf of the entity, money or any other cash equivalent such as: bonds, checks, debit or credit cards, securities, and/or securities.

Notwithstanding the foregoing, subject to the necessary levels of attribution and/or authorizations, employees of Banco de Occidente and its Subsidiaries are allowed to make gifts or invitations, provided they observe the following conditions:

- Gifts must correspond to promotional items that are representative of the corporate image of Banco de Occidente and/or its Subsidiaries and gifts on special dates in accordance with the provisions established for gifts or invitations.
- The invitations must correspond to activities that are part of the ordinary course of business for the promotion and offering of services or products, in accordance with the corporate purpose of the Entity.
- The payment of per diems to third parties is prohibited, except in the following cases:
 - Contracts in subordinate concessionaires / consortiums where the Army or the National Police provide the service as Traffic and Transportation Police attached to the Ministry of Transportation, and whose per diems are regulated by the respective decree issued annually by the National Government of Colombia; in these cases per diems may be paid exclusively to personnel assigned to the project and only at the rates authorized by decree in each year.

Per diem payments may be made to third parties that provide services such as: training, consulting, legal representatives that require travel, tax auditing and external auditing, as long as the travel corresponds exclusively to personnel assigned to the project, is considered within the service contract, commercial offer or similar, and within the term of the contract.

- Per diems may be paid to public officials related to the contracting process or the development of a contract, since they are considered to be part of the



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The Company's operating activities and provided that they are recognized in accordance with the internal policies of each entity.

- The granting of gifts or invitations must be framed within legitimate purposes, and it is forbidden to grant them for the purpose of obtaining an undue or illegal advantage as consideration.
- The granting of Gifts or Invitations must go through the authorization and granting process defined within Banco de Occidente and its Subsidiaries, as long as it is ensured that it complies with the conditions established in this corporate policy; with particular emphasis on those situations that present a higher probability of risk associated with corruption (direct or indirect interaction, through agents and/or third party intermediaries, with public officials or public entities), prior approval instances must be established by the ABAC compliance area under the conditions set forth in this corporate policy.
For gifts or invitations; this also includes the processes of allocation and authorization of budget items associated with this concept, global authorizations of amounts allocated to Gifts or Invitations, monitoring of such previously authorized budget items, among others.
- The granting of gifts or invitations exceeding the established amounts or conditions must be authorized in accordance with the defined attributions and the procedure established in MAN-APY-377 section "Gifts or Invitations".
- Gifts or invitations granted by Banco de Occidente and its Subsidiaries to its employees, as welfare activities, shall not be covered by this document.

When an Employee has doubts regarding the receipt or granting of gifts or invitations, he/she must report it directly to his/her immediate supervisor, who, in accordance with his/her attributions, must decide or obtain the decision of the respective body immediately in light of these guidelines, as well as the legislation of his/her jurisdiction.

Rules regarding the receipt of gifts or invitations

Decisions made by employees must be subject to the criteria and guidelines issued by the Bank, and to the proper performance of their duties. In no case shall their behavior be influenced by gifts or invitations they may receive in the performance of their duties.

It is also recalled that:

Banco de Occidente and its Subsidiaries prohibit its employees from directly or indirectly, tacitly or explicitly soliciting gifts or invitations. However, employees of Banco de Occidente and its Subsidiaries may receive gifts or invitations as long as the following conditions are met:



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- Under no circumstances may gifts or invitations consist of cash, or any other cash equivalent such as bonds, checks, debit or credit cards, securities and/or securities.
- The gift or invitation may not exceed 5% of the value of the monthly salary of the employee who receives it, and such amount may not exceed two (2) legal monthly minimum wages in force (SMMLV). In the event that it exceeds the above limits, the respective approval must be requested in accordance with the table of attributions for the granting of gifts or invitations and comply with the procedure established in the MAN- APY-377 section "Gifts or Invitations".

Note: For Banco de Occidente Panama and Occidental Bank Barbados, gifts or invitations should not exceed 400 USD.

- In the case of invitations, such invitations must correspond to events related to the ordinary course of business and to the offering and/or demonstration of services or products or to invitations to events for academic or training purposes.
- Under no circumstances may the receipt of the gift or invitation have the capacity to unduly or illegally influence the employee's behavior and decision-making.

Emphasis is placed on the presumption of good faith and ethical behavior of employees in their commitment to comply with the Code of Ethics and Conduct, in self-control and disclosure of the information necessary to comply with the restrictions described for receiving gifts or invitations.

Treatment of gifts or invitations received outside authorized limits or characteristics

When it is not possible to refuse or return gifts or invitations that are outside the established guidelines for gifts or invitations (for example, when they are sent directly to the employee's home address), it will be the responsibility of each employee to report the event to his or her immediate supervisor, who will proceed to follow the established procedure to ensure that the gift or invitation enters into reallocation processes or mechanisms that ensure the absence of conflict of interest and transparency of the process. Examples of these procedures are raffles among employees in the area or geographic location, contributions related to the society and environment pillar, contributions to novenas activities within the area, among others.

Permitted gifts or invitations (Giving and Receiving)

The following are some of the types of gifts or invitations that are permitted, as well as the conditions (including limits on amounts), which were taken from best practices in Grupo Aval entities:



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- Promotional or institutional items clearly identifiable as promotional.
- Items on special dates such as: Christmas, love and friendship day, secretary's day, children's day, women's day, among others. It is allowed to deliver bouquets of flowers, green leaves, plan canitas, newborn baby baskets, among others, according to the amounts established for gifts or invitations.
- Invitations to events related to the ordinary course of business, such as: breakfasts, lunches, dinners, cocktail parties, workshops, seminars, transportation, hotels, trips and in general activities for demonstration of services or products, as well as:
 - Seminars, courses and other events for academic or training purposes, as long as they are events that do not exceed two (2) days (not including travel time) and do not exceed two (2) legal minimum monthly salaries in force (SMMLV) per person invited. If the event includes travel to other cities, the cost of travel and lodging shall be assumed by the third party. The cost of these events includes refreshments, trainers, study material and event room.
 - Invitations for breakfasts, lunches and dinners in accordance with the amounts established for gifts or invitations, each time you present.
 - The reimbursement of expenses for alcoholic beverages must be approved by the immediate supervisor, by the person acting in his or her stead or by whomever each entity designates and, at least, comply with internal policies regarding reimbursement of expenses for this concept and ensuring the proportionality of the expense. If the reimbursement is requested by the Presidency (or whoever is acting in its stead), it shall be authorized by the Financial Vice-Presidency (or whoever is acting in its stead).
 - Invitations and tickets to entertainment events, provided that they do not exceed two (2) legal monthly minimum wages in force (SMMLV), each time they are presented.
 - Inauguration events of works carried out by the subordinated entity in the development of its corporate purpose (For example: roads, hotels, civil works, new bank offices).

In any case, the gifts or invitations granted must comply with the conditions established for gifts or invitations.

Gifts or Invitations not allowed (Giving and Receiving)

- Those to delay or fail to perform tasks related to the functions of an employee, or to use their influence with another employee, so that the latter delays or fails to perform tasks related to his or her functions.



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- Those who promote conduct that jeopardizes the reputation of Banco de Occidente and its Subsidiaries.
 - Those that do not contribute to increase trust and satisfaction in Banco de Occidente and its Subsidiaries among stakeholders (including employees).
 - Those who do not respect human rights and do not recognize both their importance and their universality. It should be noted that Banco de Occidente and its Subsidiaries:
 - Respect and promote the rights established in the Universal Charter of Human Rights and in all countries, cultures and situations.
 - In situations where the law or its implementation does not provide adequate protection of human rights, it abides by the principle of respect for international standards of behavior.
 - Respects and promotes diversity and inclusion in accordance with the Corporate Diversity and Inclusion Policy.
 - Those that discriminate against vulnerable groups.
 - When the gift or invitation given or received could lead to reprehensible acts or would lead to substantially negative impacts on society, economy or environment.
 - Banco de Occidente and its Subsidiaries must refrain from having relations with economic sectors and companies where there are doubts or well-founded suspicions of not respecting applicable regulations, human rights, society and the environment. Some of these sectors are:
 - Those sectors recommended by the Financial Action Task Force (FATF).
 - Illicit drugs
 - Companies that discriminate on the basis of gender or race
 - Weapons of mass destruction
 - Illegal mining
 - Child labor
- Travel for public officials or their family members and other related parties and hotel payments when the event is not for academic purposes or demonstration of products and/or services as described in these instructions.
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- Own expenses or expenses in favor of a third party for casinos, jewelry, household appliances and vehicles.

Unauthorized practices in the giving and receiving of gifts or entertainment

Unauthorized practices, under our anti-corruption policy are:

- All those that could be significantly affected by the decision, action, delay or omission of the body or entity in which the employee works.
- Employees of Banco de Occidente and its Subsidiaries are not authorized to give, offer, demand, request or accept gifts, invitations, courtesies or benefits outside the parameters defined for gifts or invitations.
- Those activities related to the reception or payment of vacations and tours, with government officials and private individuals.
- Gifts may not be given to national or foreign government officials with whom any type of procedure is being carried out (for example, licenses, permits, resolutions or rulings), including the branches of public power or authorities that may issue or modify any type of rules or regulations that directly or indirectly affect the interests of Banco de Occidente or its Subsidiaries. Except in the case of expenses incurred on the occasion of inaugurations of works (for example: infrastructure developed by Group companies), contracts under execution or necessary to advance a contracting process, as long as it complies with the requirements according to the guidelines for gifts or invitations.
- Request to suppliers to collaborate with the sending of gifts to carry out raffles among employees, which take place, for example, year-end parties and novenas, under the principles of transparency and good governance, as well as the tone of management that should be promoted from the highest levels as established in the COSO internal control framework, this type of practice should not be carried out.
- Assimilate "gifts or invitations received" to other legal or accounting figures with the purpose of avoiding the protocol and responsibilities inherent to them.
- To account for gifts or invitations received in items other than those authorized by the Vice-Presidency of Accounting Consolidation of Grupo Aval.
- Misrepresenting the accounting records so that the nature of the gift or invitation is not correctly indicated.



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- Use proformas other than those established in these instructions, unless those defined within the entities comply, at least, with the parameters indicated for gifts or invitations.

Other requirements

- Whenever possible, the products given as gifts or gratuities should be marked with the image of the Entity that delivers them.
- Purchases of institutional items representative of the Entity to be given as gifts must be made in accordance with internal purchasing and contracting procedures.
- All employees of Banco de Occidente and its Subsidiaries must know and abide by the Anti-Bribery and Anti-Corruption Rules (Anti-Corruption Statute, Anti-Transnational Bribery Act, FCPA Act) and refrain from any conduct that violates the aforementioned rules.

Contracting and Procurement

Banco de Occidente and its Subsidiaries have established contracting and purchasing guidelines detailing the minimum requirements to enter into a contract or service order with a third party, including legal conditions, ethical suitability and quality, in accordance with internal purchasing policies.

In any case, in order to mitigate the risks posed by third parties with respect to corruption, Banco de Occidente and its Subsidiaries must, when the risk analysis of the third party leads to treating it as a high-risk TPI, incorporate the Audit and Anti-Corruption Commitment clauses documented in MAN-APY-358 in the contracts.

As well as, any other clause that allows ensuring that third parties comply with anti-corruption standards directly and through other third parties subcontracted to carry out the object of the contract.

These guidelines seek to ensure that all transactions and contractual conditions established between Grupo Aval, its Subordinate Entities and its third-party intermediaries, are made in compliance with the legal provisions and regulations in force, and that the contractual terms specifically detail the services to be provided.

To this end, the area responsible for implementing the ABAC Programs, together with the person responsible for the contract, must ensure that third party intermediaries are identified as high-risk and that the inclusion of such clauses must be processed with the legal department. In addition, in those contracting or purchasing situations where there is a higher probability of risk associated with corruption (direct or indirect interaction through agents and intermediaries), it is important to ensure that the contracting or purchasing process is carried out with the legal area to include such clauses. / (or third party intermediaries, with public officials or public entities), prior approval by the compliance area must be established.



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Notwithstanding the foregoing, for leases of offices, buildings for cashiers and administrative headquarters, the inclusion of the clauses is not mandatory as long as the due diligence of qualification and evaluation of the third party is carried out.

Note: The procedure for purchasing and contracting for Occidental Bank Barbados is detailed in MAN-OBB-009 "Procedures and Powers for Purchasing and Contracting Services and Works" and for Banco de Occidente Panamá in MAN-PAN-010 "Administrative Resources Manual".

Donations

In the event that Banco de Occidente and its Subsidiaries make donations, in compliance with local and international anti-corruption regulations, it is prohibited to make or give any type of donation to a national or foreign public official with the intention of influencing any act or omission with the corrupt purpose of helping Banco de Occidente or its Subsidiaries to obtain an improper advantage.

Banco de Occidente and/or its Subsidiaries are allowed to make donations as long as the following conditions are met:

- Make donations directly and exclusively for the purposes and in the amounts approved by the Board of Directors of Banco de Occidente and its Subsidiaries, in accordance with the authorizations granted to such body by the General Shareholders' Meeting according to its bylaws.
- Donations that correspond to those established in the bylaws of the Bank and/or its Subsidiaries.
- The accounts are accounted for in accordance with what has been approved and controls are designed to shield the process from its approval until the objective is achieved.
- In addition to the approval of the General Assembly of Shareholders and the Board of Directors as established in the governance architecture of Banco de Occidente and its Subsidiaries, the same must be known and approved by the President or General Manager of the Entity (or whoever is acting on his or her behalf). In any case, in accordance with the autonomy of each Entity, the President or General Manager may delegate this authority to another senior management officer.
- Donors must be domiciled in Colombia or in the countries where Banco de Occidente's subsidiaries operate.
- The value of the donation must be fully supported by documentation that allows to establish its cause, the date of its realization, its amount, its recipient, the means of payment, among others (For example: invoices, deeds of notarial insinuation).
- The donee must be legally entitled to receive donations.



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- Comply with all other legal requirements, particularly those of a tax nature.
- Any other requirement determined by the Board of Directors of Banco de Occidente and/or its Subsidiaries.
- It is the responsibility of the Sustainability Department to report to the President's Office any variations in the amounts approved by the Board of Directors.

Public and Political Contributions

General Guidelines and Directives

In no case does the Anti-Corruption Policy intend to establish a prohibition to Banco de Occidente and its Subsidiaries in relation to the possibility of making public or political contributions. In this regard, it is clarified that Banco de Occidente and its Subsidiaries may make public or political contributions subject to the provisions of their respective bylaws and applicable regulations. In the same sense, when a public or political contribution is made, the ABAC Officer must be informed, so that he/she may evaluate the pertinent actions in accordance with the regulations in force⁵.

Notwithstanding the aforementioned possibility, in order to preserve the good name of Banco de Occidente and its Subsidiaries, as well as to prevent its resources from being used for the personal benefit of employees or third parties, the following conduct is prohibited:

- Contributions made by a Collaborator on behalf of Banco de Occidente and its Subsidiaries with resources owned by such Collaborator.
- Contributions made by a Collaborator in its own name with resources of Banco de Occidente and its Subsidiaries.

In this regard, it is clarified that:

- Banco de Occidente and/or its Subsidiaries, acting through their legal representatives or their attorneys-in-fact, subject to the law and their bylaws, are the only ones authorized to make any type of political contribution or support electoral initiatives of any kind on behalf of Banco de Occidente and its Subsidiaries.
- In no case is it intended to prohibit Banco de Occidente's Employees and its Subsidiaries from making political contributions or supporting electoral initiatives of any kind, provided that such contributions or support are made with their own resources and within the scope of their personal activities.

⁵ Since it may incur in some inabilities described in Law 1778 Chapter IV "Amendments to Law 1474 of 2011" Article 31 and 33 "Inabilities to contract those who finance political campaigns".



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Sponsorships

In the event that Banco de Occidente or its Subsidiaries carry out sponsorships, these must be supported by the way in which the sponsorship is framed within the strategic objectives of Banco de Occidente and its Subsidiaries.

All **Sponsorships** must meet at least the following parameters:

- Sponsorship requests, regardless of their origin, must be in writing, using the forms provided for such purpose, be signed by the authorized representatives of the requesting entities and contain a clear and detailed explanation of the purpose of the sponsorship, amount, as well as the manner in which the sponsorship will be used.
- In the case of sponsorships consisting of the assumption of expenses, the purchase of supplies, equipment, materials, etc. on behalf of the applicants, the Company shall endeavor, as a first measure, to make use of its own suppliers and, if this is not possible, to carry out its own evaluation to ensure that the suppliers proposed by the entity requesting the sponsorship correspond to entities that meet the Company's requirements to be hired, including, among others, suitability, experience, financial solvency, among others.
- Pay sponsorship expenses directly to the selected third parties and intermediaries and in no way to the sponsored parties or their representatives.
- All sponsorship must be done disinterestedly and without expecting a return or benefit for Grupo Aval, other than those perceived from an advertising management.
- Sponsorships must be approved by the President and/or General Manager, as applicable, within the budgetary approval of the accounting period, and the Vice President in charge (or whoever takes his/her place) must be responsible for monitoring their execution, without exceeding the approved amounts.
- Specify the rights and period of use of image, industrial property, intellectual property and website, when applicable.

Whenever possible, the branding of sponsored products with the image of Banco de Occidente or its Subsidiaries or the signage, in the case of events, of sponsoring advertisements with the brand of Banco de Occidente or its Subsidiaries should be sought.

- The accounting must be made for the amounts and in the authorized accounts, and controls must be designed to safeguard the process from approval to completion of the sponsored activity.
- Particular emphasis should be given when, exceptionally, resources for sponsorships are not channeled through suppliers of Banco de Occidente or its Subsidiaries, but through third parties. In such case, the unavoidable need to use them must be evaluated with all possible due diligence. If the decision is to contract this type of suppliers, the following should be made



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its commercial reputation, the nature of its activities, suitability, trajectory, experience, among others, must be reviewed in order to comply with the activity to be developed.

The following shall not be considered sponsorships, even though they implicitly generate advertising:

- Participation in events and fairs, in which the bank intends to do business and for which the right to use a space is paid, to promote the brand, attend clients interested in the bank's services and close or close business deals.
- Direct advertising through different media such as television, radio, print, digital, for each of these media, the following considerations should be taken into account as applicable:
 - Certificate of Circulation and Coverage
 - Number of Subscribers
 - Rating
 - Number of followers
 - Specialization of the media
 - Radio Frequency
 - Target audience to be reached with the publication
- Financial contribution for the purpose of supporting social responsibility programs aimed at benefiting the community or specific sectors of the community, such as: disaster and calamity situations, health, education, culture, social development programs, scientific and technological research, ecology, environmental protection.
- Publication of financial statements, edicts, theft of checks, issuance of bonds and other publications required by regulations.

Other requirements

- Cross-check with restrictive and binding lists (such as OFAC, UN) of officers of the Sponsored Entity and suppliers to whom payment will be made on behalf of the Sponsored Entity.

Certification issued by the sponsored Entity regarding the use of the resources received by way of sponsorship by Banco de Occidente or its Subsidiaries.

- Include in the sponsorship agreements the statement by Banco de Occidente and its Subsidiaries on the commitment to comply with the highest standards of ethics and conduct.
- The right to inspect and/or audit the applicant by the Internal Audit of Banco de Occidente and/or Subsidiaries must be guaranteed for the exclusive purpose of reviewing the processes and procedures used by the applicant for the proper execution of the Sponsorship under the terms of the Anti-Corruption Policy.
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- The applicant must certify that he/she knows and accepts that the only responsibility of Banco de Occidente or its Subsidiaries will be that agreed for the Sponsorship, where no responsibility will be assumed for the result of this activity, third party claims, costs or expenses associated with it.
- Both Banco de Occidente and its Subsidiaries and the Sponsorship Applicant must know and abide by the ABAC Anti-Bribery and Anti-Corruption Rules (Anti-Corruption Statute, Anti-Transnational Bribery Act, FCPA Act) and refrain from any conduct that violates the aforementioned.
- In addition, in those sponsorship situations that present a higher probability of risk associated with corruption (direct or indirect interaction, through agents and/or third party intermediaries, with public officials or public entities), prior approval by the entity's compliance area must be established.
- Include in the sponsorship agreements the statement by Grupo Aval and its Subordinates on the commitment to comply with the highest standards of ethics and conduct.

Example:

"Grupo Aval and its subordinate entities are committed to complying with the highest standards of ethical conduct and restrict the offering of gifts, donations and sponsorships, among others, when their purpose is to obtain an inappropriate advantage. When accepting any gift, donation or sponsorship that may be granted by the Company, the beneficiary must certify that he/she is duly authorized to do so by virtue of the applicable laws and the internal provisions of the organization with which he/she has an employment relationship. Grupo Aval and its subordinate entities reserve the right to restrict the granting of gifts, donations or sponsorships in this sense and in accordance with the policies of Grupo Aval and its subordinates. In case you become aware of the improper destination of the gift, donation or sponsorship granted by the Company, or that it has the purpose or effect of a corrupt purpose or obtaining an undue advantage, please contact Grupo Aval's ethics line, which may be easily accessed through the company's website www.grupoaval.com".

Acquisitions, Mergers, Increases in Ownership, Joint Ventures, Associates and Other Equity Interests

Banco de Occidente and its Subsidiaries must have guidelines through which the activities and best practices are established to mitigate the existing risks with Acquisitions, Mergers, Increased Participation, Joint Ventures and Associates in compliance with anti-corruption standards.

In the event that Banco de Occidente or its Subsidiaries carry out processes that may culminate in the acquisition of shareholdings in new entities, which grant the right to exercise some type of control, either at the shareholding level and/or with the appointment of members of the Board of Directors.



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including all acquisitions, significant increases in shareholdings, mergers, business combinations, etc., the protocol for reducing the risk of corruption must be complied with.

These types of relationships must include, as part of the matters included in the due diligence process, the aspects that allow obtaining an analysis of the entity to be acquired in relation to the risk of corruption associated to such entity and its Collaborators. (Portfolio investments and/or participation that do not grant any type of control or direct interference over the management of the entity object of the investment, may be subject to a control limited to the typical procedures of ABAC and SARLAFT).

The following activities should be considered within the due diligence process:

- Perform a knowledge analysis of the partners with whom the company participates or will participate in the transaction, in order to identify persons and entities related to Grupo Aval and/or its Subordinate Entities that appear or are involved in punishable acts and/or have been included in local and international restrictive lists used by the entity, particularly in relation to corruption matters.
 - Conduct background checks on key executives (Vice Presidents, Presidents, Audit Committee and/or Board of Directors members) in public databases or other sources with proper authorization.
 - Interview key executives about corruption situations and corruption risks of the entity to be acquired.
 - Review hiring policies for key personnel and other positions (executives, sales, account managers, among others).
 - Review the anti-corruption program if implemented, its compliance, past incidents, policies, identified risks.
 - Check that the company acquired company has made previously programs and other third parties, related to corruption and corruption-related issues.
 - Review whether there are legal proceedings against them related to corruption and/or transnational bribery issues and whether they have been convicted or fined.
- Include in the contracts or the different documents that evidence the acquisition agreement, the manifestation by Banco de Occidente and/or its Subsidiaries of compliance with anti-corruption policies, which implies having the figure of Internal Auditor, External Auditor or a control figure in charge, among others, of verifying that such policies are defined, implemented and monitored in this matter.

The above analysis shall be recorded in the **FTO-APY-487 Checklist Due Diligence ABAC** format, together with the documents considered appropriate.



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The above activities may be performed by a third party contracted by Banco de Occidente or its Subsidiaries when a broader scope is required and to cover a diagnosis greater than the due diligence, this decision must be considered and approved by Senior Management.

The results of the above activities shall be submitted to the Vice-Presidency of Risk and Collections through the Banking and Information Security Management (ABAC Officer), for its conformity with the ABAC compliance verification, and then shall be shared with the Corporate Senior Vice-Presidency of Risk and Compliance of Grupo Aval and the President of the Bank, who shall present this result to the Board of Directors of Banco de Occidente.

Complementary activities in procurement

Once the acquisition of businesses is completed, either through an increase in the existing shareholding or a purchase of shares in new companies, it must be ensured, in consideration of the percentages of influence obtained and the resulting decision-making capacity:

- Incorporate within a reasonable time the acquired company into the internal control systems of the entity intended to exercise control over the acquired entity;
- Train the personnel of the acquired entity on policies, corporate governance, codes of ethics and conduct and compliance with laws and regulations for becoming part of Grupo Aval;
- Ensure that the acquired entity complies with the other guidelines and directives defined in Grupo Aval's Corporate Anti-Corruption Policy,
- Where appropriate, conduct monitoring activities (of risks and the adequacy, suitability and effectiveness of controls in place) (e.g. sponsorships, TPI, gifts and entertainment) to identify subsequent events or hidden liabilities related to illicit activities.
- Include in the contracts that support the business, audit clauses that allow monitoring compliance with the minimum standards required in anti-corruption matters;

Exercise the right to inspect the accounting records of the joint venture or associate.

A Company acquired with a participation of more than 50% shall have a term of one (1) year from the date of purchase to align itself with Grupo Aval's Corporate Anti-Corruption Policies.

Related Parties and Joint Ventures

Banco de Occidente and its Subsidiaries must mitigate existing risks with Related Parties, in compliance with anti-corruption regulations.



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Banco de Occidente and its Subsidiaries shall keep permanently updated a list with the identification of the persons, entities, consortiums, joint ventures or any type of business relationship in which Banco de Occidente, directly or through any of its Subsidiaries participates with a minority (non-controlling) interest, indicating for each type of business the following:

- Company name
- Partners
- Name and position of management
- Purpose of the business
- Percentage of participation

Transparent management of relations with public officials

In the event that Banco de Occidente and/or its Subsidiaries have relations with public entities and officials, the following guidelines must be taken into account as a minimum:

- Provide honest and transparent treatment to the official;
- Do not engage in potential employment opportunities with government officials;
- All business relationships that are related to government entities must be duly documented, supported and approved by the ABAC Officer, defining the guidelines for their management;
- All Employees of Banco de Occidente and its Subsidiaries may participate in public or political activities as long as they are in a personal capacity and do not make use of the group's time, resources, funds, property, brand or information.

Third Party Intermediary (TPI) Management

Banco de Occidente and its Subsidiaries prohibit its employees from giving or receiving payments for the purpose of expediting processes and procedures carried out before a third party or in favor of a third party; also known as Facilitation Payments.

These payments are normally made to public officials to obtain licenses, certificates and other types of public services. However, such payments may also be made to commercial service providers. Facilitation payments are bribes and are therefore prohibited under the United Nations Convention against Corruption. When tolerated, they undermine the institutional culture of zero tolerance for corruption.

In accordance with the foregoing, TPI (Third Parties and Intermediaries) should be understood as those third parties that are not customers or collaborators, with whom there are direct or indirect commercial relations.



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indirectly to perform a transaction on a particular or periodic basis for the purpose of selling the products or services of Banco de Occidente and/or its Subsidiaries or to purchase goods and/or services for Banco de Occidente and/or its Subsidiaries, as an agent or intermediary with agents and/or public entities as counterparts "government officials". This includes those used to obtain orders or permits, including sales representatives, customs agents, lawyers, consultants, suppliers, distributors, among others.

The common factor is that the IPTs are subject to the control or determining influence of the Entity and, therefore, within its own sphere of responsibility.

The objective of the control activities is to ensure that:

- a. Any payment made to a third party intermediary represents no more than adequate remuneration for legitimate services rendered by the intermediary;
- b. The third party intermediary does not transfer any part of such payment as a bribe or in contravention of these standards of conduct;
- c. Third-party intermediaries explicitly agree not to promise, offer or pay bribes. The entity should include provisions in its contracts to terminate agreements with intermediaries if a bribe is promised, offered or paid or any anti-corruption rules are violated.
- d. A record is kept of the names, terms of employment and payments to all intermediaries in connection with transactions with public bodies or state-owned enterprises. This record must be available for inspection by auditors and by appropriate and duly authorized governmental authorities under conditions of confidentiality.

The above provisions should apply to all third party intermediaries used to obtain orders or permits, including sales representatives, customs brokers, lawyers and consultants, acting with public and/or government counterparts.

The Contracting Entity should have the right to suspend or terminate the contract immediately upon a unilateral good faith concern that there has been a violation of any applicable anti-corruption law or agreement provision, without paying any compensation to TPI, and the Third Party shall indemnify the Contracting Entity for expenses related to violations of anti-corruption laws. It is made clear that "termination and indemnification" are regulated in other sections of the contract and it would not be required to include a clause with these terms as long as it is contemplated in the other clauses of the contract.

Contracts with TPI high risk level must contemplate clear agreements on subcontracting and management of other persons or entities designated to carry out the object of the contract. This should have _____ with no objection prior from area compliance area or its equivalent in the Subsidiary.



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Contributions or initiatives under the environment pillar (society and environment) of the sustainability model

The purpose of the sustainability model is to create sustainable value based on a transparent and close relationship with our stakeholders. One of the pillars that make up this model corresponds to the Environment (society and environment); Banco de Occidente and its Subsidiaries contribute to the development of the Environment (society and environment) through the following initiatives:

- **Financial inclusion:** financial services are provided to the most vulnerable population, enabling the inclusion and accessibility of communities⁶.
- **Environmental Management:** seeks to guide towards eco-efficiency in the use of resources, both in Banco de Occidente and its Subsidiaries, and to raise awareness among employees, customers and other stakeholders⁷.
- **Social investment:** through the entities of Grupo Banco de Occidente we seek to positively impact the communities where we are present by supporting social initiatives, social investment projects and strengthening the culture and sports sectors, addressing social problems, which allows us to enhance our management and positive impact on the different groups at the base of the social pyramid in different conditions of vulnerability⁷.

Considering the impact of this type of operations within the internal anti-corruption control structure, these initiatives should at least address the following parameters:

- Banco de Occidente and its Subsidiaries must have a guideline designed to ensure that these initiatives and/or contributions are made under the highest standards of transparency and for the benefit of society.
- Banco de Occidente and its Subsidiaries are allowed to carry out and/or participate in these initiatives as long as the following conditions are met:
 - Are initiatives and/or contributions that correspond to those established in the bylaws of the respective Entity or competent body.
 - The accounts are accounted for as approved and controls are designed to safeguard the process from approval to achievement of the objective.
 - The recipients of the initiatives and/or contributions must be domiciled in Colombia or in the countries where Banco de Occidente or its Subsidiaries operate.
 - The initiatives and/or contributions must be fully supported by documentation that makes it possible to establish their cause, the date on which they were made, their amount, their recipient, the means of payment, among others (for example: invoice, public deeds, minutes, among others).

⁶ MANAGEMENT AND SUSTAINABILITY REPORT 2020 GRUPO AVAL



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Corporate Risk Assessment

Banco de Occidente and its Subsidiaries have a process to identify, evaluate, document, manage and mitigate corruption risks. This process is done twice or when special circumstances occur, such as a change in market conditions, the launch of a new product or service or when there is a corporate restructuring. The activities included in the corruption risk assessment process of Banco de Occidente and its Subsidiaries include:

- Identification of risks by process or business unit.
- Evaluation of the probability and significance of each corruption risk identified in the organization.
- Documentation of risks by the different areas or business units.
- Communication of the risk matrices and their respective assessment to the employees in charge.
- The risk areas of Grupo Aval and its subsidiaries ensure compliance with the process of identification, evaluation, documentation and management of corruption risks.

The activities described above are documented as evidence of the periodic and systematic evaluation of the risks of Banco de Occidente and its Subsidiaries. The risk assessment process is the responsibility of each of the risk management areas of Banco de Occidente and its Subsidiaries.

In the corruption risk assessment process, considered as an integral part of the entity's risk management system, factors such as the following may be taken into account, considering, of course, the entity's own profile, size and structure:

- Country Risk
- Industry Risk
- Level of government participation
- The nature and degree of interaction with national and/or foreign public servants
Location and sectors in which the entity operates.

The initial framework for identifying these risks is the generic risk inventory issued by Grupo Aval.

Banco de Occidente and its Subsidiaries shall maintain documented information demonstrating that a corruption risk assessment has been conducted and used to execute an ABAC Program.

Accounting records

Banco de Occidente and its Subsidiaries must record in their accounting books all transactions derived from the business in accordance with the applicable International Accounting Standards.



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All accounting transactions incurred with a third party, those derived from sponsorships, public or political contributions and donations must be recorded in detail, in such a way that they are easily identifiable.

Banco de Occidente and its Subsidiaries must have "internal control over financial reporting process" measures in place to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

Among the actions that make it possible to achieve such assurance are the following:

- Generate risk and control matrices,
- Diagnose the status of controls, which involves evaluating their design and operating effectiveness by performing independent audit tests and;
- Determine action and remediation plans for all identified findings.

All Employees of Banco de Occidente and its Subsidiaries must disclose to their superiors or governing bodies, as the case may be, any violation or potential violation of this policy and in general of the anti-bribery and anti-corruption regulations of which they become aware (MAN-APY-027).

Note: The accounting recording process for Occidental Bank Barbados is detailed in MAN-OBB-001 "Operating Procedure Manual OBB" and for Banco de Occidente Panama in MAN-PAN-003 "Operating Procedure Manual BOP".

Conflict of interest

General guidelines and directives

Banco de Occidente and its Subsidiaries have Conflict of Interest guidelines designed to protect the interests of the company, help Management, Controlling Bodies and its Collaborators to reach high ethical and trustworthy levels and prevent them from being faced with Conflict of Interest situations or, in the case of being faced with such situations, that they are duly addressed.

The Senior Management, Administration, Control Bodies and Employees of Banco de Occidente and its Subsidiaries are exposed to a situation of Conflicts of Interest in situations in which they must make a decision, perform or omit an action due to their functions that may be in conflict with personal interests, in such a way that objectivity and judgment in the performance of their work may be affected.

The guideline must incorporate those circumstances where the interests of an employee and those of Banco de Occidente and its Subsidiaries may conflict; and the principles and values that must guide the actions of employees and family members up to at least the second degree of consanguinity, second degree of affinity or first civil degree, or their de facto or de jure partner or partners to prevent a Conflict of Interest from arising.



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Conflict of Interest situations are included in the guideline for:

- Direct or indirect employment relationship.
- Participation in transactions, assets or investments of Grupo Aval or its Subordinate Entities.
- Contracting processes.
- Handling of gifts, presents or hospitality.

Situations involving a Conflict of Interest may not always be obvious or easy to solve. For this reason, the Senior Management, the Administration, the Employees and the Controlling Bodies of Banco de Occidente and its Subsidiaries, must inform the immediate supervisor and the Labor Relations Division of any situations involving a Conflict of Interest as soon as they are perceived and before taking any decision.

The Labor Relations Division is responsible for managing and following up on Conflict of Interest situations reported to it, in addition to guaranteeing the confidentiality and security of the information and determining the corrective, preventive or disciplinary actions applicable to each case.

In addition, all new employees, upon joining the company and certain groups of employees with greater exposure to negotiations with state entities according to the segmentation of each entity, must annually sign a confirmation through which they certify the absence or presence of Conflict of Interest in accordance with the provisions (MAN-APY-120, MAN-PAN-023).

Bribes

In compliance with anti-corruption regulations, Banco de Occidente and its Subsidiaries prohibit its employees from paying, promising to pay or authorizing the payment of cash, money or anything of value to a public or private official or servant, national or foreign, and in general, to any person, when the purpose thereof is to corruptly influence any act or omission to help Banco de Occidente or its Subsidiaries to obtain an improper advantage.

The activities defined for compliance with this policy include, among others, the following:

- Identify areas and processes in which there is a higher risk;
- Identify third parties that have any relationship with the State or any type of family, work, commercial or any other type of relationship with the State or its Entities;
- Identify and analyze the type of transactions the third party offers or receives;• Determine red flags; and
- Define the necessary procedures to prevent, detect and correct.

Payments to streamline processes and procedures



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Banco de Occidente and its Subsidiaries prohibit its employees from giving or receiving payments for the purpose of expediting processes and procedures carried out before a third party or in favor of a third party or intermediary.

In order to comply with this policy, the following activities must be carried out as a minimum:

- Identify the areas prone to this risk, such as: Placement (lending, disbursements, collections); Acquisition (opening of products); Purchasing and Contracting (employees, suppliers) or the critical areas of each company according to its analysis.
- Document the factors or causes considered in the analysis.
- Identify preventive control activities
- Periodically monitor these activities
- Report results to the Vice President of Risk.
- Perform detective and corrective testing

These activities are the responsibility of a high-level collaborator defined by each entity, with decision-making capacity.

Special attention should be paid to the identification, management and monitoring of Third Party Intermediaries as established in the respective Instructions.

Unauthorized ABAC practices

The commercial ethics of Banco de Occidente and its Subsidiaries is based on healthy competition, offering, when necessary, benefits linked to the conditions of the products offered, including interest rates, preferential terms, remission of charges, among others. The offer of other benefits, including reciprocity, must also have the express approval of the employee's supervisor. Any benefit offered to a customer, including reciprocity, must be made with full transparency, without resorting to improper, abusive, anti-competitive and, much less, illegal commercial practices. To this end, all commercial activities and in particular those commercial activities with public entities must adhere to the policies and instructions that corporately guide our business ethics.

Loyalty programs are not considered reciprocals and must comply with the minimum requirements from the IFRS point of view to be recorded as such.

The offering of benefits to clients must be supported and documented in a cost/benefit analysis, with regard to the client's complete portfolio; if the return realized with a client is below the expected average, the express authorization of the employee's supervisor must be obtained.

With the above:

Subordinate entities are prohibited from granting commodities to customers or suppliers. If for any exceptional contractual consideration it becomes necessary to grant goods under this figure, all without exception and individually must be previously analyzed by the risk and compliance area of the Entity (or whoever takes its place) based on robust documentation of each operation provided by the first line in charge of such transaction. In any case, the goods given on loan must be related to the object of the contract.



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by means of which the need for the same originated. In accordance with the foregoing, it is clarified that the analysis performed by the risk and compliance area refers to the perspective of risk exposure and does not imply authorization within the normal flow of authorization of transactions as defined in each Entity.

- It is expressly forbidden to use figures such as advertising, payment of events in favor of third parties, commodities, gifts, invitations, publicity, sponsorships and/or donations as part of reciprocations with clients.

Awareness, Training and Communication

Aware that effective communication is a fundamental element for the implementation, internalization, maintenance and sustainability of an ABAC program, Banco de Occidente and its Subsidiaries must develop an annual communications plan to promote and strengthen the anti-corruption culture, as well as raise awareness among employees of the importance of preventing, reporting and detecting corruption.

The communications plan should include internal campaigns, support material, written communications, e-mails, etc., highlighting the most relevant aspects of the anti-corruption policy, its related guidelines and the importance of internal control.

It is important to consider within the communication strategies of the anti-corruption policies all third parties that, according to the result of the corruption risk assessment, represent a high risk for the Bank.

Within the induction process of a new collaborator and at least annually a training and/or update on the anti-corruption policy the Colombian criminal regulations, including the relevant aspects of the Colombian Anti-Corruption Statute, Law 1778 of 2016 on Transnational Bribery, as well as the FCPA Law, covering:

- The commitment of Banco de Occidente and its Subsidiaries to the prevention of corruption.
- The advantages of an ABAC program.
- Events or conduct that may constitute corruption and should be reported.
- The mechanisms through which a complaint can be made and the guarantee of anonymity.
- The damages of committing an act of corruption, illegal acts or unethical conduct, and the disciplinary sanctions that this entails.

Training and coaching must be provided on a continuous, virtual or on-site basis and selectively to Banco de Occidente and its subsidiaries' employees, in order to strengthen the concepts and ensure the continuity and sustainability of the ABAC program.



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Likewise, permanent campaigns should be carried out on the importance of verifying possible conflicts of interest between collaborators and public officials.

Reporting Channels

Banco de Occidente and its Subsidiaries are aware of the importance of reporting identified incidents. An unreported event may represent an even greater cost than the event itself. Banco de Occidente and its Subsidiaries must implement mechanisms through which its Employees can report corruption events.

Through the mechanisms provided, any Employee has the right to report an event of fraud, corruption or unethical conduct, anonymously and confidentially. The identity of the whistleblower, if established, along with the information and evidence provided in the report are kept confidential.

Ethics Line Banco de Occidente and Subsidiaries

Banco de Occidente and its Subsidiaries have a communication channel through which employees can freely and spontaneously report any possible corruption event. The Ethics Line is available to employees on the Intranet of Banco de Occidente and each of its Subsidiaries.

This channel is also available on Banco de Occidente's website, for suppliers, contractors and other stakeholders, with the purpose of encouraging compliance with the highest ethical standards, as well as to prevent potential corruption events, bad practices and irregular situations that could affect Banco de Occidente, its Subsidiaries and the economic agents that interact with it.

By disposition of the corporate comptroller of our parent company Grupo AVAL, the Ethics Line reporting channel is in charge of the internal audit management of Banco de Occidente, who in cases where it receives complaints related to corruption, will immediately notify the ABAC Officer. Through this channel, the confidentiality of the information and the anonymity of those who make use of it is guaranteed (MAN-APY-005).

Reportable Conduct: All malicious conduct intended to or affecting the Bank's resources or for which the Bank is responsible must be reported, including conduct that affects or could affect the reputation of the Bank or its subsidiaries.

Note: For Occidental Bank Barbados this process is detailed in MAN-OBB-010 "Attention to Reports filed through the OBB Ethics Line" and for Banco de Occidente Panamá in MAN-PAN-004 "Manual de Comunicaciones y Atención Línea Ética".

Incident Management and Investigation



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The investigation mechanisms are intended to advance the necessary actions to clarify possible corruption events. Banco de Occidente and its Subsidiaries are committed to objectively and thoroughly investigate all corruption events reported through the different mechanisms provided for such purpose.

The investigation process is the responsibility of the Banking and Information Security Division.

Investigations are confidential until such time as their disclosure, reporting and treatment to the relevant internal and/or external bodies is determined as a result of such investigations. Employees participating in the investigation process are obliged to keep the information confidential. The investigation process may require, among others, the following activities, as long as they are not in contravention of the legal provisions of each country.

- Interviews with collaborators or external persons.
- Collection and analysis of documentation or evidence.
- Forensic examination.
- Review of telephone calls.
- Inquiries with financial institutions.
- Access to physical and magnetic files.
- Inspection of funds, goods or assets.
- Inquiries or interviews with law enforcement, regulatory or supervisory agencies.
- The results of investigations are reported to the compliance function and other areas as appropriate.
- Guarantee the independence and timeliness of the team conducting the investigation
- Requirement of confidentiality of the research, as well as the results of the same.

The evidence obtained as a result of the investigation process is kept as support of the same and of the actions to be taken as a result of the decisions established for this purpose by the Labor Relations Division and/or Operating Committee.

The Labor Relations Division and/or Operating Committee determines the disciplinary sanctions applicable to the Employee or Employees who commit acts of corruption or act contrary to the provisions of this Policy and its related policies. Sanctions are determined according to the results of the investigation. The application of sanctions is made in accordance with the procedures established in the Internal Work Regulations and/or regulations in force, without prejudice to any legal and civil actions that may be applicable; refer to the Sanctions section.

Banco de Occidente and its Subsidiaries, as appropriate, shall inform the competent authorities of any event of corruption and undertake and accompany the pertinent legal actions.



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Actions to be taken in case situations are identified⁷

Banco de Occidente and its Subsidiaries will carry out the following actions after analyzing each case and according to the provisions of the FCPA Committee:

- Report the situation to the respective regulator on its own initiative during the stages of the investigation process.
- Share the results of internal investigations and provide respective updates when new information arises.
- Provide summaries of witness interviews and willingly make witnesses available to be interviewed by the regulator.
- Take legal, disciplinary and administrative action against those found guilty of policy violations and non-compliance.
- Strengthen policies and procedures, anti-corruption program, training processes.

Testing and Monitoring

Banco de Occidente and its Subsidiaries must establish, for each of the risks identified in the evaluation process, control activities aimed at identifying, preventing and mitigating corruption events that may affect Banco de Occidente and its Subsidiaries. Control activities may be preventive or detective, manual or automatic, and include a range of diverse activities, including approvals, authorizations, segregation of duties, verifications, reconciliations, performance reviews, user profiles and access controls, physical controls, among others.

Process owners must document in an appropriate manner and for each of the defined processes or business units, the different control activities. This ensures that each of the risks identified during the evaluation process is managed. This documentation is done through risk and control matrices where, in addition to listing the risks and controls by process, those responsible for the control, the frequency of the control, the evidence of documentation, among others, are identified.

Banco de Occidente and its Subsidiaries have identified the following transactions and accounting accounts, although they are not the only ones, which should be given special attention and analysis. Each Entity defines the accounting transactions and accounts that must be analyzed

TRANSACTIONS	ACCOUNTING ACCOUNTS
Procurement and contracting	Suppliers and miscellaneous
Reimbursements, cash advances	Petty cash
Legalization of expenses	Public relations, per diems, travel, hospitality, gifts, etc.
Commercial management	Commissions

⁷ Procedural provisions of Law 1778 provided for in Chapter III Articles 19 and 21 "Benefits for Collaboration" and "Waiver to provide information".



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Mergers or acquisitions	Several
Donations	Donations
Sponsorships	Sponsorships
Events	Advertising / Events
Use of corporate credit cards	Various

The control activities designed to mitigate corruption risks are evaluated, both in their design and in their operability, in accordance with the methodology established by Banco de Occidente and its Subsidiaries.

Other control activities include:

- Constantly monitor those transactions related to payments that may be classified as high risk, such as: payments made in cash; payments to tax havens; payments segmented in amounts below authorization levels; alternate payments and payments without proper supporting documentation.
- Record in a logbook the invitations, hospitality and gifts made to public officials detailing the amount of the expense, the authorization, the context of the meeting or invitation, and the purpose of the same.

At least an annual review of the objectives and components of the Anti-Corruption Policy and related policies or guidelines must be carried out, in addition to monitoring the risks identified and the sufficiency, suitability and effectiveness of the controls implemented in the different processes as part of the implementation of this policy, by a high-level collaborator designated by each entity who is responsible for ensuring that the anti-corruption program is properly executed.

In any case, each Employee of Banco de Occidente and its Subsidiaries is responsible for ensuring compliance with the controls in their charge and the ethical standards established in this policy, as well as for reporting known and/or identified incidents, through the channels provided for this purpose, such as the ethics line, e-mail to internal auditors and/or web page.

The monitoring of compliance with anti-corruption policies in the subsidiaries Banco de Occidente Panama and Occidental Bank Barbados will be carried out every six months by the second line of ABAC Management.

Audit

The Internal Audits of Banco de Occidente and its Subsidiaries must carry out an evaluation of the Anti-Corruption Policy based on risks, the effectiveness of existing controls and the treatment of reported corruption events, when they consider it pertinent according to their work plan.



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Continuous Improvement

Annually or whenever changes in business conditions require it, the ABAC program should be reviewed and improved in order to avoid outdatedness.

INFORMATION REPOSITORY

Banco de Occidente and its Subsidiaries have an information repository in SharePoint ABAC that allows supporting the elements of the ABAC program, as well as tools that allow managing the risks identified and the controls implemented, in addition to keeping a statistical control of all corruption events reported and managed. This guarantees the availability, timeliness and reliability of the information related to the corruption events managed.

REPORTS

In order to facilitate compliance monitoring, within each of the Instructions corresponding to specific anti-corruption issues, a series of reports addressed to Grupo Aval and the Direct Parent Entities of each of the Subsidiaries is detailed. This detail includes the Format to be used, the information to be reported, the cut-off date and the periodicity of the reports.

Therefore, the following reports are established:

- **ADDRESSED TO GRUPO AVAL S.A.**

Banco de Occidente and its Subsidiaries shall report to Grupo AVAL:

ABAC Compliance Program Maturity. Annual report as of June 30, no later than the following July 31.

- Annually, as of June 30, each one of the Group Entities sends to Grupo Aval, according to the communications protocol, the updated ABAC maturity questionnaire. Format F-ABAC-5 ABAC Compliance Program Maturity Format.

ABAC Compliance Certification. Annual report as of December 31, no later than the following March 15.

- Annually, as of December 31, each one of the Group Entities submits to Grupo Aval, in accordance with the communications protocol, the F-ABAC-13 ABAC Compliance Certification Form.



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Communication of high impact events ABAC, must be submitted on a quarterly basis and be reported within the first 20 calendar days of the month following the end of each quarter to Grupo AVAL.

Occasional reporting in case of high impact events, no later than fifteen (15) calendar days following the date of the event.

In compliance with the guidelines set forth in the "Framework Policy for Integral Risk Management", which "(...) establishes general guidelines for risk management systems at corporate level".) establishes the general guidelines for risk management systems at corporate level", and more specifically the "Information Management", which establishes the duty to "timely inform Grupo Aval about risk events that occur and have a high impact category", for this purpose, the F-ABAC-16 High Impact Risk Event Report Format has been designed, which must be filled out, when applicable, by each and every one of the entities that make up Grupo Aval.

ABAC high impact risk events" are understood to be those events associated with corruption situations, which have been confirmed after the respective analysis and investigation process, and which involve employees of Banco de Occidente and/or any of its Subsidiaries.

The analysis and investigation process, which must be carried out prior to reporting to Grupo Aval, must include at least the following protocol:

- Once the high impact event is identified, it is reported to the corresponding internal audit areas for their pertinent purposes.
- The ABAC team of both the entity where the event occurred and the direct subsidiary of Banco de Occidente (Banco de Occidente Panama, Occidental Bank Barbados, Fiduciaria de Occidente or NEXA BPO) must hold a working group to analyze the evidence of the case, including the results of the respective internal audit areas, to conclude on its impact, considering the following aspects:
 - o The seriousness of the event,
 - o The severity of the event, and
 - o The impact of the event, including the results of the internal audit areas.
 - The duration of the misconduct
 - The pervasiveness of the misconduct, including whether the misconduct transcends geographic and product lines
 - The nature and size of the entity
 - The quality of the Entity's ABAC program at the time of the event
 - The accounting records associated with the event

It is suggested the use of a quantitative rating methodology, established by the same entities, which includes the impacts in each of the above criteria and facilitates the conclusion in this regard.

- If it is concluded that the event indeed corresponds to a confirmed act of corruption, the High Impact Event Report is officially generated via e-mail, both to the direct subsidiary and to Grupo Aval's Regulatory Risk Management.



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as indicated in Basic Instruction 2-2017. Otherwise, the case will be archived.

- The compilation of cases for each calendar quarter is reported as a summary to Grupo Aval; if no cases are presented, they are reported as such.
- Upon receipt of a High Impact Event in Grupo Aval, it must be analyzed in a working meeting between the Corporate Senior Vice President of Risk and Compliance, the Corporate Compliance and SOX Management, the Legal Vice President and the Corporate Senior Vice President of Corporate Controllershship, as well as the ABAC managers of the direct subsidiary, to confirm that the action plans established by the affected subsidiary are appropriate and if additional activities are required. The conclusions of this meeting are documented in the minutes.
- Finally, Grupo Aval's ABAC Compliance Department must monitor compliance with the action plans.

ABAC Risk Assessment at Conglomerate level. It must be completed by all the entities of the Group individually and sent to its parent entity, which will consolidate the information to send to AVAL Group a single file with all the subsidiaries evaluated.

- This evaluation covers the immediately preceding calendar year and as of this date will be carried out annually during the first calendar quarter and reported to Grupo AVAL on March 31 of each year.

ABAC Control Board. The measurement of these indicators must be updated on a quarterly basis and reported to Grupo Aval Holding within the month following the end of each quarter.

- For the ABAC Compliance Program Maturity and ABAC Residual Risks indicators, the results obtained from the evaluations performed shall be used, in accordance with the cut-off dates of the ABAC Program Key Dates Instruction; the result shall be maintained until it is updated with a new exercise according to the defined periodicity.
- The results of the measurement of the indicators must be filled out in the "KRI's Measurement Result" sheet and uploaded to Grupo Aval's ABAC sharepoint, in the format defined for this purpose.

Socialization and Monitoring

Annually, through the **FTO-APY-690 "Socialization and monitoring"** form, the ABAC risk area of the entity that has the investment (or whoever takes its place) shall follow up on the activities developed by the respective Legal Representative in the Board of Directors (whichever applies) in order to verify that the activities described in the previous paragraphs were carried out. The ABAC Officers shall report to the Corporate Compliance and Sox Management of Grupo Aval.

Corruption Materialized Event Reporting Associates and Joint Ventures



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Annually within the Board of Directors, the Representatives of Banco de Occidente or its Subsidiaries that participate as members of the Board of Directors of Associates or Joint Ventures, shall inquire with the management and/or the Compliance Officer (or whoever is acting in his or her stead) of these companies, whether there has been any confirmed event of corruption or a breach of their policies, if any, or of this Compendium. In the event that, after the investigations and due process, it is concluded that there are material facts of corruption, the member of the Board of Directors of such entity representing Banco de Occidente or any of its Subsidiaries, shall report such situation to the Corporate Senior Vice President of Risk and Compliance and to the Senior Vice President Corporate Controller of Grupo Aval through the Group's subordinate that holds an investment in that company.

- **Addressed To Banco De Occidente**

The subsidiaries of Banco de Occidente must report on a quarterly basis as of March 31, June 30, September 30 and December 31, at the latest within the calendar month following each cutoff.

The ABAC Officer in charge of monitoring compliance with the ABAC Corporate Policy shall be responsible for keeping a record of all ABAC special operations. For this purpose, the form **FTO-APY-416 ABAC Special Operations Control Log** has been defined, where all the fields must be filled in as indicated in the Instructions of this Form.

It is the responsibility of each of the Employees of Banco de Occidente and its Subsidiaries to inform the second line of this type of operations; these will be reconciled quarterly with accounting records to corroborate the integrity and accuracy of accounting records, operations carried out, accounting accounts affected and record in the logbook.

The log kept by the second line as part of the monitoring of compliance with the ABAC policy (Form **FTO-APY-416 ABAC Special Operations Control Log**) will be sent by all the Subsidiaries to Banco de Occidente so that Banco de Occidente as Parent Company can perform random verification tasks to corroborate compliance with the policy, determine the control points to be strengthened, review relevant variations, assess indicators and seek action plans to mitigate the risks that may be warranted.

- **Directed to investments in associates, joint ventures and other equity interests**

For Investments in equity method, associates and joint ventures, in order to promote an ethical culture aimed at mitigating the risks of corruption and given the importance of those companies that are registered through the equity method, associates or joint ventures, there is **ANX-APY-1327 "ABAC Corporate Policy Compendium"** with the purpose of urging the management of such entities to implement or strengthen these standards related to this risk.

For this purpose, the following scheme has been defined to transmit this information through our representatives on the Boards of Directors of the entities, as well as its subsequent monitoring:



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- Investments in which there is participation in the Board of Directors:

Through the Representatives of Banco de Occidente or its Subsidiaries that participate as members of the Board of Directors of Associates or Joint Ventures, this Compendium shall be delivered as soon as possible to each of these companies in a Board meeting, urging them to adopt (if they do not have their own policies) or adapt their own policies to reach at least the standard of Banco de Occidente, as the case may be.

The Representative of Banco de Occidente or its Subsidiaries shall annually fill out the **FTO- APY-685 "Corporate Policy Compendium Support"** form and submit it to the entity's ABAC compliance officer or whoever is acting in his or her stead.

- Investments in which there is no participation in the Board of Directors:

Through the Legal Representative of Banco de Occidente or of the Subsidiary that holds the investment, the Compendium of the Corporate Anti-Corruption Policy must be sent, as soon as possible, by formal letter to the Legal Representative of the company where the investment is held, urging it to adopt (if it does not have its own policies) or adapt its own policies, to reach at least the standard of Banco de Occidente, if applicable.

Written confirmation must be requested from the Legal Representative of the company where the investment is held, regarding the adaptation / adoption of the Compendium or the existence of its own anti-corruption policies aligned with those of Banco de Occidente.

Annually, through the Legal Representative of Banco de Occidente or of the Subsidiary that holds the investment, a certification must be requested from the Legal Representative and/or the Compliance Officer (or whoever takes his or her place) in the company where the investment is held, regarding the knowledge of materialized corruption events within said company.

SANCTIONS

Banco de Occidente and its Subsidiaries recognize that in the event of non-compliance with these policies and other activities derived from them, the entities and persons responsible for their application and compliance shall be subject to administrative, criminal and pecuniary sanctions, as established in local and international laws, as well as to the increase of the entity's risk level and the strict follow-up and monitoring of the Corporate control bodies.

Accounting Provisions

For illustrative purposes, the following is a list of the penalties contemplated in the FCPA for those who incur in violations thereof:

For individuals

- Civil penalties up to \$USD 100,000



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- Criminal fines of up to \$USD 5 million or twice the loss or gain from the violation, and/or up to 20 years imprisonment.
- The company on whose behalf the person acted cannot pay the fines directly or indirectly

For entities

- Civil penalties of up to \$USD 500.000
- Criminal fine of up to \$USD 25 million or twice the profit or loss caused by the violation.
- Return of Illicit Proceeds **International Anti-**

Bribery Provisions (FCPA) For Individuals

- Civil penalties up to \$USD 10,000
- Criminal fines of up to \$USD 250,000 and/or up to 5 years imprisonment
- According to the alternative fines law, the fine can be up to double the gross financial gain or loss resulting from the payment of bribes.
- The company on whose behalf that person has acted cannot pay a criminal fine imposed on that individual directly or indirectly
- Forfeiture of assets

For entities

- Civil penalties of up to \$USD 10.000
- Criminal penalties of up to \$USD 2 million
- According to the alternative fines law, the fine can be up to double the gross financial gain or loss resulting from the payment of bribes.

Local Anti-Bribery Provisions⁸

Colombian anti-bribery regulations: Colombian Anti-Corruption Statute, Law 1474 of 2011, Law 1778 of 2016.

It shall be the competence of the Superintendency of Companies to investigate and sanction those who fail to comply with the provisions of Law 1778 of 2016.

The sanctions established by Law 1778 of 2016 are: For

individuals

⁸ With respect to non-compliance with this policy and with local laws, specifically Law 1778, as contemplated in Chapter II "Sanctioning Regime", Articles 5 and 6 "Sanctions" and "Sanctions in the event of statutory amendments".



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- Imprisonment from 9 to 15 years
- Disqualification from the exercise of public rights and functions for the same term.
- Fine from 650 to 50,000 legal monthly minimum wages in force
- Ineligibility to contract with the Colombian government for a term of 20 years

For entities

- Fines of up to 200,000 legal monthly minimum wages in force
- Inability to contract with the Colombian government for a term of 20 years.
- Publication in widely circulated media and on the website of the sanctioned legal entity of an extract of the sanctioning administrative decision for a maximum period of one (1) year.
- Prohibition to receive any type of incentive or subsidy from the government for a period of 5 years.

Likewise, the Anti-Bribery Law provides that any legal entity that has the quality of parent company, according to Colombian corporate law, will be investigated and sanctioned when its subordinates incur in a transnational bribery conduct, with the consent or tolerance of the controlling company.

Therefore, Banco de Occidente requires its subsidiaries to define and develop ABAC programs that are executed, evaluated and monitored according to the guidelines established herein, taking into account that the existence of transparency programs or anti-corruption mechanisms within the company contributes to strengthening the corporate risk culture and is therefore one of the main criteria to be considered within the risk assessment at the entity level.

Disciplinary Sanctions Within Banco de Occidente and its Subsidiaries

The policies set forth in this manual are part of the employee's special obligations; failure to comply with them is considered a serious offense and, therefore, may even imply the unilateral termination of the employment contract for just cause in accordance with the provisions of numeral 6 of literal a) of Article 7 of Decree 2351 of 1965, a regulation that subrogated Article 62 of the C.S.T., in accordance with numeral 1 of Article 58 of the C.S.T., as agreed upon by the parties.

The Bank and/or its Subsidiaries are empowered to file criminal or civil lawsuits in the cases it deems appropriate within the framework of the internal work regulations.